**Assignment Objectives**

You are given a notional £100,000 to invest in the UK stock market in shares listed on the FTSE ALL Share index. You need to build a diversified investment portfolio, which consists of at least 10 companies based on fundamental analysis. The aim is to maximise the returns of the investment and try to beat the market, e.g. achieving a greater return on average than the market return during the period of trading. It is important you can demonstrate that you understand why you invest in those companies and are able to justify your share selections. You need to make explicit reference to Efficient Market Hypothesis (EMH) in your analysis.

**Assignment Requirements**

• You are given a notional £100,000 to invest in the UK stock market.

• You should demonstrate your understanding in equity investment and be able to explain why you buy and sell the selected shares. The market is represented by the FTSE ALL Share Index – if you do not beat the market you will not lose marks. You must calculate the return on the market from your first trade to your last trade in order to determine whether you have beaten the market or not.

• The shares MUST be listed on the FTSE ALL Share Index.

• Your investments should be based upon fundamental analysis (It is optional if you would like to use technical analysis in your trading).

• The portfolio must contain at least 10 companies in this assignment.

• You need to build your portfolio and start trading by 1st November 2019 the latest, but you could commence trading earlier if you like. The end date of trading period is by 1st March 2020. So, you have approximately 4 months to trade. This means that you are going to have to use short-term investment strategies.

• Your need to justify the holding period of individual shares you bought, which should reflect the trading strategies/selection criteria used to build up your investment portfolio.

• As part of trading record, a monthly review on the portfolio performance is required and you should also document how your investment decisions might change based on the monthly review.

• You are allowed to trade as many times as you like, bearing in mind the transaction costs and stamp duties associated with each trade.

• Word Limit excluding references, workings of calculations, appendices etc.

• Full references and an appendix with record/evidence of your trades should be included.

• Referencing according to APA (6th edition) system is required. You must include all references that have been used in the writing of your work; these will be included in the section marked References at the end of your report.

**Recommend Report Format**

Introduction – i.e., A brief overview on the investments you made, the investment strategies used in trading and summary of the trading performance for each portfolio.

Method – i.e., How did you select the companies for your portfolio? You should explain the stock selection criteria, or the trading strategies used in setting up the portfolio. You need to justify your stock selection criteria/trading strategies and this should be done by making direct references to the journal articles/books/business reports/news read.

Results – i.e., How did the portfolio perform? Did the portfolio outperform the market? Which company performed particularly well or bad, and why? Try to link the trading results with the investment strategies used and the latest developments in the market, which would help to reflect on how you have been doing in your investments.

Conclusion – i.e., You could tie your results back to the literature you have read on the type of analysis you have used. Limitations on the trading strategies applied etc

Appendix – Spreadsheet of your trading record. This should include the company name, date of purchase/sell, number of shares bought/sold, share price, trading costs (i.e., transaction fee, stamp duty), profit and loss for each of the companies invested and final profit/loss for the portfolio.



